AUGUST 31, 1964

STIFFER COMPETITION AHEAD FROM MEXICAN COTTON

WORLD TEA PRODUCTION

U.S. BEEF FEATURED AT HAMBURG TRADE FAIR

THE UNIVERSITY OF MICHIGAN
PERIODICAL READING ROOM

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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AUGUST 31, 1964

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Tea plucker at work in tea grove in India—world's largest producer of this commodity. See story on record-breaking world tea production, page 5.

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Mexican field worker picking cotton.

Stiffer Competition Ahead From MEXICAN COTTON

By VERNON L. HARNESS
CHARLES H. BARBER
Cotton Division
Foreign Agricultural Service

Within a few years, Mexico—already the top competitor of the United States on world cotton markets—could well be producing at least 2.5 million bales of cotton annually and exporting up to 2 million, or an amount equal to its entire current output.

This forecast is largely based on a striking shift now taking place in Mexico's cotton production areas. Until the past few years, almost all of Mexico's cotton acreage was located in the northern part of the country. In 1958, five main producing areas—the West Coast, Mexicali, Laguna, Matamoros, and Delicias—accounted for 92 percent of the total crop. But in 1963, these five accounted for only 73 percent of the total.

In the meantime, new areas—the most important of them, Altamira, Tapachula, and Apatzingan—have been developing in east central, south, and southwest Mexico. Their 1958 output had totaled less than 60,000 bales, but in 1963 they produced close to a half million. In five more seasons, their combined production could well reach a million bales.

Mexico ranks sixth among the world's cotton producers; ahead of it come the United States, the USSR, Mainland China, India, and Brazil. As a world exporter, however, Mexico must be placed second only to the United States, because the other large producers use a large share of their crops domestically. But Mexico exports about three-fourths of its crop; and, like the United States, it ships to almost all foreign markets. These markets will undoubtedly be the destination of any further increase in the Mexican crop.

Mexico's changing cotton picture

In recent years, Mexico's total cotton area has declined by about 25 percent; but, as a result of generally rising yields, production has been maintained at around 2 million bales. Since 1955, acreage has dropped in all of the five older cotton areas—nearly two-thirds in the Laguna area, 50 percent in the West Coast area, and about a third in the Mexicali, Matamoros, and Delicias areas.

The effect of this reduction has been softened in two ways: first, by expansion into new areas, and second, by higher average yields. Much of this rise in yields is attributable to the acreage decline itself, for land not suited to cotton was generally the first to be withdrawn from production. Also contributing to higher yields were better production practices, improved varieties, more effective methods of pest control, and more crop rotation.

Problems of the older areas

Despite the differing characteristics of the five older cotton areas, they have a common problem—water—which is probably responsible for the declining emphasis on cotton there. Virtually all of these areas were located in valleys and dry lake beds, and virtually all of the cotton was grown under irrigation. Problems and prospects vary, however, from area to area.

Matamoros.—This is one of the oldest cotton areas in Mexico, and until this season it usually had the largest acreage. It lies in the State of Tamaulipas, across the river from the Rio Grande Valley of Texas.

Rainfall in Matamoros is light and highly unpredictable, and much of the cotton is now grown under irrigation. Most of the water comes from surface lakes, but there are a few wells. There has never been an ample water supply in the reservoirs; in some years, there is only enough for one irrigation. The high mineral content of the subsurface water prevents relief from the wells; and this shortage of good water has worsened the widespread problem of soil salinity. A further problem is plant diseases and insects, reported more difficult to control each year. Production in Matamoros has been declining for several years and another sharp drop is expected in 1964. There has been considerable official and commercial encouragement for cotton growers to shift to other crops, particularly wheat, grain sorghums, and corn.

Laguna.—The Laguna area is located mostly in the States of Coahuila and Durango, centering around Torreón. For many years it was the leading cotton region in Mexico.

Water in this irrigated area comes from both gravity sources and deep wells. Low water supplies have sharply limited crop acreage in the past, and they are likely to prevent significant expansion in the future except in seasons like 1964, when an unusually large quantity of water in the reservoirs has allowed ample irrigation.

Over the longer run, cotton production in the Laguna

Hauling cotton from new Tapachula area.

can be expected to encounter increased pressure from other crops for the limited water supplies. Agriculture in this area is well diversified; major crops besides cotton include wheat, corn, and other grains, alfalfa, grapes, and vegetables.

Mexicali.—The Mexicali cotton crop is now the second largest in Mexico. This area, an extension of the Imperial Valley, lies mostly in the State of Baja California across the border from Calexico, Calif.

Irrigation water for Mexicali is limited, and its average salt content, near the critical stage. Most of the water for this area comes from the Colorado River under an agreement between the U.S. and Mexican Governments. A number of deep wells exist in the area, but further drilling is restricted because the water table is falling. Better use could be made of available water through installation of lining in irrigation ditches, additional leveling of many fields, and some shifting of cotton to more suitable land.

Problems other than water are not serious; insect control is generally good, and the area is not infested with the pink bollworm. There is really no close competition from other crops for the land, although wheat is often planted on larger areas when water is more limited than usual. To maintain current production, however, relatively high yields must be continued despite the severe water problem.

West Coast.—This area in the States of Sonora and Sinaloa, the center of Mexico's richest agricultural regions, gave Mexico the base for self-sufficiency in wheat.

Almost all the cotton on the West Coast is grown under irrigation—in the north, mostly from deep wells. Around Ciudad Obregón and southward, it is mostly from surface water. The well water is expensive and the water level is dropping.

Insects are well controlled by up to 12 applications of dust or spray from airplanes.

Cotton on the West Coast faces considerable competition, not only from wheat but from other grain crops and from oilseeds. The southern portion grows large quantities of vegetables, while farmers in the northern portion are becoming interested in grapes. Thus, West Coast cotton production has probably reached the limit of expansion.

Delicias.—In this cotton area in the State of Chihuahua, one of the newer of the "old"ones, production appears to have leveled off after a rapid expansion in the 1950's. Cotton is grown here under irrigation, mostly from lake water, which can run short in dry years. An even more serious problem in Delicias has been insects and disease, with especially heavy losses from cotton rust. The area would do well to maintain its present production. In fact, pressure from grain and other food crops, as well as the never-ending shortage of water, seems certain to pull down cotton acreage over the longer run. The same is true of smaller long-established areas like Juarez, Anahuac, Monterrey, and Nuevo Laredo.

Potential of the new areas

Altamira.—This area, centered northwest of the port of Tampico in the State of Tamaulipas, is one of Mexico's newest and fastest growing cotton areas. In fact, production in 1963 reached almost 200,000 bales, from no commercial crop only 2 years before. With normal growing conditions, the crop could come close to doubling in 1964.

The land for the most part is relatively porous black soil with a clay subsoil that aids in holding moisture. Rainfall is around 35 to 40 inches annually, and nearly all cotton is grown without irrigation. Cotton is planted from mid-June through July after light rains in May. Rainfall is heaviest during the growing season, so from 10 to 20 applications of insecticide are necessary. Yields in the past three seasons have averaged over a bale per acre.

Cotton has competed effectively for land here; acreage devoted to pasture and vegetables has declined considerably. In addition, there are more than 600,000 acres of brushland that could be cleared and planted to cotton within a few years.

Tapachula.—This new area near the Guatemalan border in the State of Chiapas shows great promise of becoming one of Mexico's larger cotton producing areas. Production has expanded from practically nothing just a few years ago to 82,000 bales in each of the last two seasons. Further increases in 1964 will probably be modest, but the crop several years from now could well be double or triple the present size.

(Continued on page 16)

Expanding World Tea Production May Lead to Oversupply

Although an excessive tea surplus has not yet developed, worldwide growth in this industry points to the possibility of such a situation arising during the coming years.

By REX E. T. DULL
Sugar and Tropical Products Division
Foreign Agricultural Service

World tea production in recent years has been setting record after record, and this year, with output set at a new high of over 2.3 billion pounds, will be no exception. Thus far, exports and internal consumption have gained sufficiently to absorb the mounting production, but the long-time threat of an oversupply still lingers.

The big question now is, can the large 1964 harvest and future bumper crops be easily marketed, or will stocks begin to pile up, as has been the case with coffee?

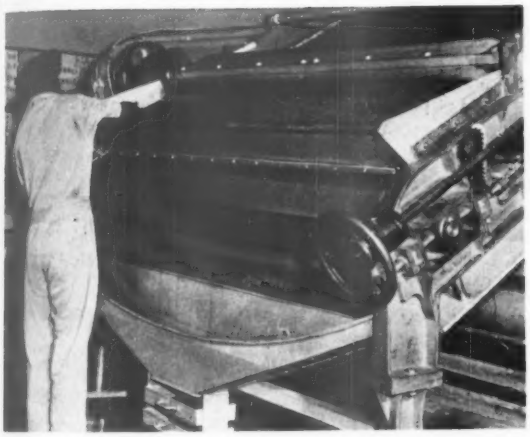
Countries most concerned with this problem are India and Ceylon, first and second largest tea exporters, respectively. Together they account for over three-fourths of the annual $600-million world tea trade.

Higher yields in these two countries and the other major Asian producers—Indonesia, Mainland China, Taiwan, and Japan—plus rapid expansion in Africa and South America—account for the ever-increasing world output. Growth in the tea industry has been especially pronounced in the African countries of Malawi, Kenya, Uganda, Tanganyika, and Mozambique.

No large surplus yet

Up until now, these exporting countries have managed to avoid an unmanageable surplus. Tea prices, unlike those for coffee and cocoa, have remained fairly stable, and last year, tea supplies were only slightly ahead of consumption. This near-balance in the supply-demand picture can be largely attributed to intensive tea promotion and market development schemes in various parts of the world; however, the marketing of the record supplies expected this year will be the real test of the trade's ability to find new outlets and to increase consumption.

World tea consumption is rising, but is facing intense competition from other beverages such as coffee, cocoa, and soft drinks. Also, in several South American countries, including such tea producers as Argentina and Brazil, yerba maté is drunk instead of tea. Accounting for the gain is not only rising consumption in many of the tradi-



One of the big tea producers in Africa, Kenya has contributed to the rising world output. Clockwise, plucking tea to measured heights, packing tea for export, and drying the leaf after fermentation. (Photos courtesy the World Bank.)

tional tea-consuming countries but increased domestic use in the producing countries. For example, usage in Pakistan —a large tea producer—has risen to the extent that exports have been prohibited. Domestic consumption in India—the largest tea producer—accounts for about a third of that country's harvest.

Largest importers

While two countries—India and Ceylon—produce over half of the world's tea crop, two others—the United Kingdom and the United States—drink more than half of the tea that enters world trade.

Any potential increase in consumption in the United Kingdom can be largely discounted. At nearly 10 pounds per person per year, that country's tea consumption has remained virtually static for many years and is considered near the saturation level.

The United States is in a little better position. Though it is the world's second largest tea market, its consumption is still far below the United Kingdom's, amounting to less than 0.7 pound per person. Furthermore, consumption in the United States has been on the uptrend—in part because of the introduction of instant tea into the market. Last year, U.S. housewives spent $216 million for nearly 95 million pounds of tea, and hotels and restaurants used an additional 30 million pounds.

Sales of instant tea in U.S. retail stores last year rose to 13.6 million pounds from 7 million in 1961. This new commodity now accounts for 14.4 percent of the total U.S. retail tea market, and the trade predicts that by 1970, it will account for nearly a third. Bolstering sales too are the recently introduced "convenience" instant tea mixes. These new products have sugar, lemon, or flavoring already added.

While U.S. consumption is small compared with the United Kingdom's, it is still above that of the European Economic Community. At 0.3 pound, the ECC's per capita consumption of tea is only about half this country's. The possibility of increasing exports to the EEC has been bettered by the EEC's recent suspension of import duties on bulk tea and its reduction of duties on packaged tea. Tea traders hope that eventually there will be some relaxation on internal taxes on tea as well, especially in West Germany where taxes add considerably to the selling price.

Abundance of low-quality tea

One of the major problems confronting the tea industry has been a tendency toward surplus production of teas of low-to-medium quality. Most of the African and South American teas and a large proportion of the increased production in Asia have been of these types. Meanwhile, the production of high-quality teas has remained stable.

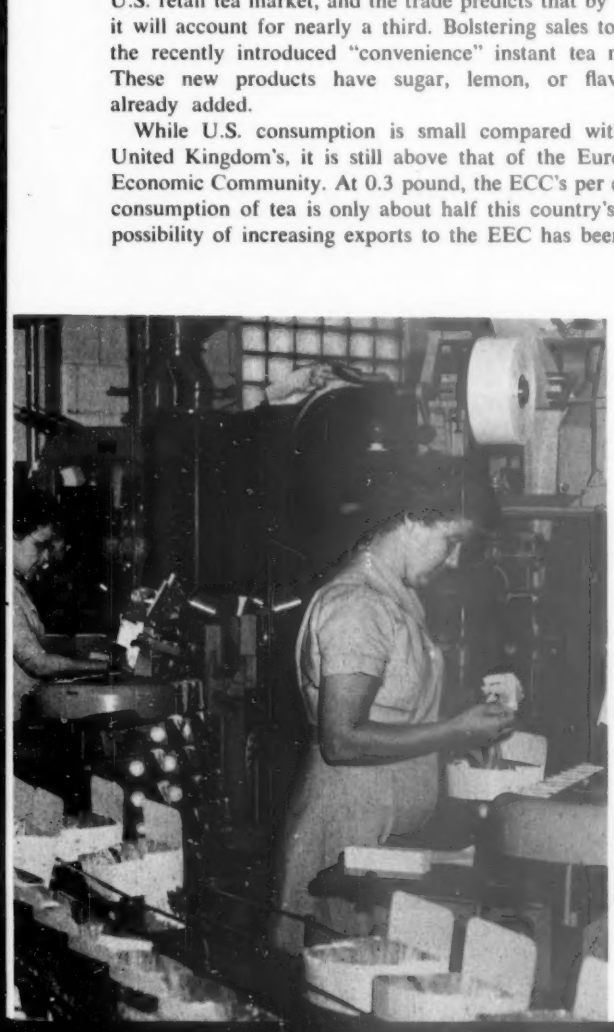
This trend toward medium- and low-quality teas probably stems from the efforts of governments of the tea-producing countries to increase tea output in order to earn more foreign exchange. But such programs have often backfired, with the increased production bringing in less foreign exchange.

One example is Ceylon, which in 1963 exported some 4 million pounds more tea than in 1962 but received 8 million rupees less for it. Producers of the lower quality teas also face a very competitive market, while there is always a strong demand for the better teas.

Expansion to continue

The outlook is for even larger tea crops in the coming years, as producers strive to increase exports in order to balance their economies. There is no doubt that production in most countries could be raised further without expanding acreage, through replanting with higher-yielding varieties, heavier fertilization, and more efficient pest control. At the same time, supplies can be regulated by more "selective" plucking—picking only the bud and the two youngest leaves of the tea shoot. This would reduce yields but improve the quality.

Countries are also beginning to recognize the importance of promoting internal demand as an insurance against a period of surplus production.



Left, assembly-line packaging of tea in U.S. Below, tea-taster at work testing samples in his office. Pictures courtesy of McCormick and Company, Inc.

Yugoslavs Work To Lift Output of Livestock and Poultry

By ARMIN J. REHLING
Trade Projects Division
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(Formerly U.S. Agricultural Attaché, Yugoslavia)

Hoping to secure a larger share of the lively West European market for meat, Yugoslavia is trying to step up the expansion it has had underway in its livestock and poultry production. This effort is having some interesting and unexpected results on Yugoslav trade patterns. Traditionally a substantial competitor of the United States for certain West European corn markets, Yugoslavia now is not only using much more of its own corn and exporting much less; it has even been importing foreign feedstuffs, including U.S. corn and soybean meal.

As a producer of livestock, Yugoslavia has one natural advantage over all West European countries except France: a big corn crop. It alternates with Rumania as second largest corn producer in all of Europe, next to the USSR. From a record of 6.4 million acres in 1959, its corn area has declined to less than 6 million—about the same as the average for 1950-54. But with yields considerably higher than the 22 bushels per acre of that period—around 34 bushels for the past 4 years—production has remained fairly constant at an average of about 5 million metric tons (some 200 million bu.) except for record years like 1959 and drought years like 1961.

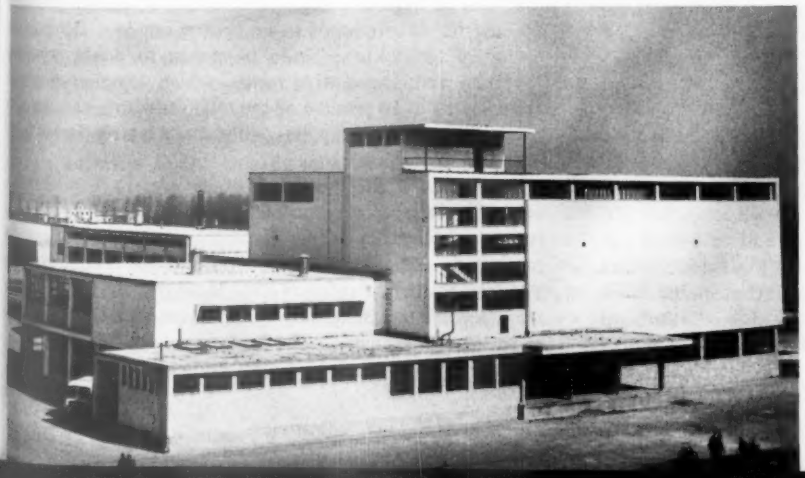
Following good crop years, Yugoslavia has generally exported about a half million metric tons of corn. In recent years its biggest customers have been Austria, Italy, and West Germany, with less regular sales to some other West European countries.

In the past 2 years, however, Yugoslavia's corn exports have dipped sharply. From 385,000 metric tons in fiscal 1961, they fell to 145,000 in 1962, and they fell again in fiscal 1963, to 86,200, even though production had recovered from the 1961 drought to an above-average 514 million.

In the same 2 years, some foreign corn has been moving to Yugoslavia in an unusual trade switch—65,700 tons in 1962, of which the United States supplied 60,400; and 27,600 in 1963, of which 20,500 came from the United States and 6,900 from Argentina. These purchases, however, like Yugoslavia's decreased exports, were clearly the aftermath of the short 1961 crop plus increased feeding needs at home. While it is unlikely that Yugoslavia will remain a feed grain importer on any sizable scale, it is equally unlikely that Yugoslav corn exports will regain their former importance now that the domestic demand for livestock feed is increasing so rapidly.

The Yugoslav Government has shown its interest in the livestock and poultry industries in a number of ways. About 2 years ago, the Yugoslav agricultural bank approved credits for the construction of poultry farms in the amount of about $11.2 million. These credits were to finance the establishment of 36 farms where plans called for producing 24.5 million broilers and of 24 farms for egg production, set up to produce 205 million eggs. As of 1964, these farms are scheduled to produce 13.7 million

Quality problems limit growth of Yugoslav meat exports. Calves above, though appealing, will not make top beef. Carcasses, right, show lack of finish resulting from short feeding period and dual-purpose nature of breed. Slaughterhouse below is part of state effort to aid meat industry.



broilers and 100 million eggs.

Credits were also approved for four poultry selection centers which, in addition to their own production, are to supply baby chicks to socialized and private farms. Part of this program is still in the construction phase.

Large cattle-feeding and hog-production facilities have also been built on state and cooperative farms. New slaughterhouses have been completed and several old plants renovated in the past several years.

Results of livestock promotion

These efforts have met with some success. Total meat exports have risen steadily, as shown below:

	Metric tons		*Metric tons*
1958	44,389	1961	90,916
1959	55,276	1962	101,556
1960	69,845	1963	117,000

Most rapid increase has taken place in beef. After a small drop in 1959, beef exports doubled to 15,676 tons in 1960, jumped to 29,207 in 1961 and to 61,655 in 1962, and continued up to 66,942 in 1963. For 1964, they show signs of leveling off, however, as the livestock industry begins to rebuild its herds.

The principal markets for Yugoslav beef have been Italy and Great Britain. Of the 1962 total, 38,921 tons went to Britain and 5,544 to Italy. In 1963, Britain's share dropped to 14,269 while Italy's zoomed to 34,353.

Exports of canned meats, mostly hams and other pork products, have increased too—from 12,483 metric tons in 1958 to 29,589 in 1963. Exports of canned hams and pork shoulders to the United States moved upward from 316,000 pounds in 1960 to 5.2 million in 1963.

Cattle scarcity a problem

Any further increase in meat exports, however, will require the solution of three major problems; and this will take time.

First is the scarcity of cattle. The bad corn crop of 1961 led to a drastic decrease of 775,000 head between the January 1962 livestock census and that of January 1964. As a consequence of fewer cattle for slaughter, the increased meat exports have kept the domestic market in short supply during much of the past 2 years.

Competition for cattle, whether to be slaughtered for export or for the domestic market, has been intense. Retail beef prices increased by over 30 percent between December 1962 and December 1963. Many contracts between producers and processing enterprises for slaughtered cattle have been broken owing to the incentive of higher prices elsewhere in the country. Agreed prices set by the government—prices at which slaughter cattle of various grades were to have been delivered to packinghouses or exporters—have become meaningless and have recently been canceled.

Export quality another difficulty

Second problem is that of quality. For example, last year Yugoslavia supplied some chilled beef to U.S. Armed Forces commissaries in Europe, through barter contracts under which the Yugoslavs received some U.S. agricultural products in exchange. But Yugoslavia had to cancel out of several beef contracts because the cattle offered did not dress out to Army Grade C (U.S. Commercial), the minimum quality specified. This was partly due to efforts to cash in too quickly after short feeding periods.

Quality problems also show up in the breeds of cattle available. No real beef breeds exist in the country; the breeding cattle imported in the past, the offspring of which are being used for beef production, were almost entirely dual-purpose types such as Simenthal, Brown Swiss, and Red Danes. These imports, after rising to 14,074 head in 1960 (from 9,036 in 1958), were cut to only 119 head for 1963, after the decision was apparently made that enough breeding stock had been imported to upgrade the native stock. Now, however, interest has developed in the importation of Herefords and/or Angus for the production of higher grade beef.

In pork production, meeting export-quality demands gives Yugoslavia much less of a problem. The native breed —a long-haired, sway-backed, lardy Mongolian type—has been largely replaced, especially on state and cooperative farms, by meat-type breeds. These are Danish Landrace (the original breeding stock came from Sweden) or Yorkshire types, which produce the lean pork now in demand. As long as acceptable meat products result, it is less important that lard has become somewhat scarcer in Yugoslavia as a result of the breed switches.

Protein feed is short

Third of the major problems is feed. Barring an unlikely succession of disasters to the corn crop, there will be no long-term shortage of feed grain; but Yugoslavia needs protein supplements for adequate livestock rations. Outside of sunflowerseed meal and very small amounts of cottonseed meal and soybean meal, it depends upon imports. In recent years, it has developed into a market for U.S. soybean meal, though volume has been limited by a shortage of foreign exchange. In 1961-62, it took 22,549 short tons; in 1962-63, its purchases rose to 39,915 tons. Its imports during the first 6 months of the latter year (October-March) had been only 10,922 tons; but during the first 6 months of the year just ended, 1963-64, they had already reach 53,330 tons.

Decisions that must be made

With the foreign exchange problem in mind, Yugoslavia faces some tough decisions about the future of its livestock and poultry industry. One of these—the same kind of decision as it had to make not long ago for its tobacco industry—is whether it should encourage exports, so as to earn as much foreign exchange as possible while export markets are good, or keep its domestic markets well enough supplied to prevent radical price rises. In practice, there is very little choice: steep price rises on the domestic market would make export meat prices less competitive.

The government must also decide to what extent the program of livestock improvement and of production and feeding for export needs to be spread out into the private sector of agriculture. There is reason to doubt whether the state and cooperative farms, which together account for some 15 to 18 percent of the total farmland, can furnish most of the export supplies without extremely large government investments.

In summary, then, because of its present handicaps—cattle shortage, quality problems, feed needs, and administrative quandaries—Yugoslavia is not now in a position to cash in extensively on the current meat shortage in Western Europe. Prospects are, however, that in time it may become an increasingly important source of supply to its Western neighbors for beef, pork, poultry, and eggs.

"E" Award Winning Poultry Exporter Attributes Sales Volume to Special Breeding, Salesmanship

Babcock Poultry Farm of Ithaca, N.Y., has just won the Presidential "E" Award for its achievements in expanding sales of poultry breeding stock overseas. Jack F. Hill, vice president, cites some reasons for the company's success.

Babcock Poultry Farm has experienced exceptional growth in its poultry stock exporting business over the past 10 years, with export sales now accounting for over 17 percent of the company's gross dollar volume. Major distributors represent the company in 27 countries—West Germany, Italy, Spain, United Kingdom, Sweden, France, Austria, Switzerland, Lebanon, Greece, Canada, Mexico, Guatemala, Peru, Chile, Brazil, Argentina, Uruguay, Japan, Philippines, Ceylon, Colombia, Venezuela, Trinidad, Belgium, India, and British Guiana.

We attribute the company's export volume growth to specialized breeding programs, aggressive salesmanship, and superior customer service.

Our company developed two egg-type strains especially for the export market. The strains — developed through modern poultry breeding techniques by skilled geneticists and poultry scientists—were bred to meet two very important foreign buyer specifications and have been instrumental in increasing foreign sales.

One of these special types was bred for those areas which have a substandard environment. It stands stress conditions, such as poor housing, well.

The other is a white egg strain free of *Mycoplasma gallisepticum* (CRD), a prime cause of chronic respiratory disease in chickens. In cooperation with Cornell University, the company researched a method which allows pre-incubated eggs to absorb an antibiotic which renders the disease organism harmless to the chicken without interfering with hatching of the egg. Babcock also made this method available to its foreign distributors.

A network of foreign distributors is run and serviced from the company's New York City office. Company officials make periodic visits to these distributors to help them solve their husbandry problems in breeding, nutrition, rearing, incubation, and hatching. Our customers can then obtain maximum benefit from the layers they import. We also supply informational brochures and sales materials in the appropriate language.

One sales technique employed by the company is advice to our distributors and franchise holders on sales techniques and methods of financing and encouraging local egg production so that production costs can decline and per capita consumption increase.

Babcock poultry was one of the first American breeders of egg-type stock to obtain major distribution in England, which, until 2 years ago, banned imports of chicks and hatching eggs. When the English market opened, Babcock was able to immediately establish distribution because its Swedish isolation farm had stock capable of meeting English health standards. Over 50,000 day-old pullet breeder chicks have been contracted for sale to England this year because of this farm, which also supplies Sweden, Norway, Finland, Uruguay.

Likewise, when the Japanese market opened to American breeding stock in 1963, the company at once established contact with an import-export firm and has since sold 50,000 breeder chicks to Japan.

Our company furnishes foreign distributors parent and grandparent stock that is genetically identical to that available in the United States. By doing so, our distributors are able to reproduce the same chicks that they would otherwise have to import at a greater transportation cost. Also, selling grandparent stock allows customers to acclimate the resulting parent stock to overseas environments.

Next year, our firm will introduce another new line designed especially for the export market—a brown-egg laying chicken developed for those overseas customers who prefer brown eggs. This line is autosexing in that the cockerel chicks will be a different color than the pullet chicks, which will reduce our distributor's costs of determining the sex of the chicks.

U.S. Farm Groups Exhibit First Time at Lisbon Fair

Admiral Americo Thomaz, President of Portugal (l.), visits the exhibit of the U.S. poultry industry's International Trade Development Board, which together with the Soybean Council of America, U.S. Feed Grains Council, and Great Plains Wheat, participated recently for the first time in Lisbon's International Fair.

U.S. Beef Makes Hit at Hamburg's LEFA Fair As Thousands Try Foods at American Exhibit

Hot roast beef sandwiches and barbecued turkey—both new to German consumers—were pace-setters among the many popular U.S. foods at the LEFA International Food Fair which closed last week at Hamburg, Germany.

U.S. carcass beef, promoted at Hamburg for the first time at an international trade fair, aroused keen interest in German trade representatives with inquiries centering about import possibilities.

With final attendance expected to hit the 300,000-mark, facilities to cook and serve American beef sandwiches had to be expanded to meet demand within 2 hours after the opening. Samples of French fried potatoes cooked in U.S. soya oil went over the counter at the rate of 1,000 an hour. Grapefruit juice, raisins, fruit salad, milk drinks, and rice delicacies also helped make the U.S. exhibit what many visitors called the most popular among those of the many countries participating.

Over 1,000 commercial exhibitors took part in LEFA, pointing up the widespread competition for the $4-billion West German market for food and agricultural products.

Counter-clockwise: Barbecued U.S. turkey attracts Western-garbed U.S. hostesses; Chief Wolf Robe explains foods from American Indians; bags of U.S. rice draw housewives; hot roast beef sandwiches are big success.

U.S. Wheat and Flour Exports Setting New Records

U.S. exports of wheat and flour rose to a record high of 849 million bushels in fiscal 1964 from 637 million during the previous fiscal year. This rise was brought about largely by poor harvests in Western Europe and the Soviet Union and their increased need for wheat. A similar decline in Japanese production, caused by prolonged rains prior to and during the harvest season, made Japan our top dollar market during the year with the Soviet Union a close second.

The increased volume of exports to the countries in Western Europe is not expected to continue during this fiscal year owing to larger wheat crops being harvested. This will cover the import requirement for U.S. wheat as will increased competition from the major exporters—Canada, Australia, and Argentina. France, which expects to have over 100 million bushels of wheat for export during this marketing year, will also enter into the competition.

The satellite countries of Eastern Europe will probably require as much as if not more wheat than before but can be expected to shift from sources in the Western Hemisphere to the Soviet Union and other European countries.

In the forthcoming year Japan may require less wheat than in 1963-64 because of better crops, while requirements for India and Pakistan will remain at a high level.

U.S. exports of wheat and flour are expected to reach 57 million bushels during July 1964. This is approximately the same volume shipped during the same month last year.

A detailed table and analysis appears in the August issue of *World Agricultural Production and Trade: Statistical Report.*

U.S. Feed Grain Exports at Highest Peak

U.S. feed grain exports, including milled products (grain equivalent), reached an alltime high of 16.1 million metric tons for fiscal year 1963-64. This is 5 percent greater than the record 15.4 million tons shipped during July-June 1962-63.

Exports of feed grains continued to be encouraged by the rapidly developing livestock industries in the more industrialized countries of Western Europe and Japan. As in the past, demand was strongest for corn and corn products which accounted for 34 percent of total coarse grain exports. Shipments of other feed grains—oats, barley, and grain sorghums (including products)—were somewhat below the combined level of last year.

A detailed table and analysis appears in the August issue of *World Agricultural Production and Trade: Statistical Report.*

Canada's Wheat, Flour Exports Largest in History

Canada has just completed its greatest fiscal year in history for the shipment of wheat and flour (grain equivalent) to all destinations. The 552 million bushels exported between July 1963 and June 1964 was not only 67 percent higher than the amount exported last fiscal year but was the highest amount ever shipped from Canada in any single fiscal year.

This phenomenon was brought about by the huge sale of wheat and flour to the Soviet Bloc countries, whose poor crops last year created a severe shortage in wheat and flour available for domestic use. Soviet Bloc countries received 235 million bushels of these commodities, with the USSR taking 208 million bushels, and Albania, Czechoslovakia, Poland, and Bulgaria taking the remainder. Cuba received 12 million bushels.

A detailed table and analysis appears in the August issue of *World Agricultural Production and Trade: Statistical Report.*

Uruguay's Rice Exports

Uruguay's export figures for the first quarter of 1964 show that in that period the country exported about 15,000 tons of rice. It is now estimated that there will probably be another 10,000 tons available for export during the remainder of the year.

Argentine Grain Exports Up

Argentine exports of food and feed grains during fiscal 1964 totaled 6.6 million metric tons—30 percent higher than the 5.1 million tons exported during fiscal 1963. All grain exports except corn, which declined by 10 percent, increased over the previous year. Wheat and corn are the major grains exported, accounting for 42 and 37 percent respectively of the total. The largest market for total grains during the year was Italy, followed by Mainland China.

A detailed table and analysis appears in the August issue of *World Agricultural Production and Trade: Statistical Report.*

U.S. Rice Exports Up From Last Year

U.S. rice exports in August-June of the 1963-64 marketing year were at a record 1,330,000 metric tons (milled equivalent)—68 percent above the previous year's.

Exports to all continents were well ahead of those in the same period of 1962-63, with the largest increases in shipments to Asia and Europe. The USSR and Poland, which in the previous year had imported no U.S. rice, both made substantial imports—68,300 tons and 15,000 respectively. In addition record quantities were shipped to West Africa, the Republic of South Africa, Ghana, and Liberia.

A detailed table and analysis appears in the August issue of *World Agricultural Production and Trade: Statistical Report.*

Canadian Exports of Barley and Oats Double

Canada exported 1,149,825 metric tons of barley and oats in fiscal 1964—111 percent more than in the previous fiscal year. Accounting for this gain was the tremendous increase in exports of barley, to 867,000 metric tons from only 228,000. Oats, on the other hand, dropped to 283,000 metric tons from 318,000.

Over 31 percent, or 272,000 metric tons, of the barley went to Mainland China, which in the previous year had taken only 24,000 tons.

Almost 70 percent of the Canadian oats were shipped

to the EEC countries, with 130,000 metric tons going to the Netherlands alone.

A detailed table and analysis appears in the August issue of *World Agricultural Production and Trade: Statistical Report.*

Argentine Grain Board Sells Flaxseed

The Argentine Grain Board has accepted tenders for 34,990 metric tons (1.4 million bu.) of flaxseed offered to domestic crushers during the period July 29-August 4.

The Board had purchased 65,333 tons (2.6 million bu.) of the 1963-64 crop at the support price of 1,200 pesos per 100 kilograms. (About 138 pesos=US $1.00; 1 kg.= about 2.2 lb.) Sales prices ranged from 1,300 to 1,361 pesos. The improvement in flaxseed and linseed oil prices during the last month permitted the Board to make these sales at a favorable price.

The Board rejected an offer from an export firm for 9,600 tons of its linseed oil stocks at a reported price of 26 pesos per kilogram, for shipment during September-October. Through August 7, the Board had purchased 27,322 tons of linseed oil. The current support level of 25.5 pesos per kilogram is approximately the same as the market price.

The linseed oil market has strengthened considerably during the last month, reacting to prospects of reduced crops in Canada and the United States and a lowered level of stocks in Rotterdam from recent weeks and from a year earlier. The price of Argentine linseed oil, ex-tank Rotterdam, as of August 12, was US$246 per ton compared with US$230 a month earlier and US$197.50 a year earlier.

Argentine exports of linseed oil during January-July were estimated at 97,146 tons compared with 139,910 during the same period last year. Exports probably will increase during the coming months, and total shipments for the year should be near the 1963 level of 212,865 tons. Some shipments have been made in recent weeks to the USSR.

Seeding of flaxseed for the 1964-65 season is well underway and has been complete in some of the northern areas. Most observers expect that the area sown may be down slightly from last season, due to marketing difficulties. However, the recent price rise and needed rains may encourage an increase in late plantings.

Although supplies of edible oils appear to be adequate for domestic consumption needs, with a small quantity of olive oil for export, some imports may be permitted to avoid speculative price increases. Edible vegetable oils were included in the list of food items for which price controls recently were established.

Record Cotton and Rice Crop in Pakistan

Record crops of cotton in West Pakistan and rice in East Pakistan were produced in the fiscal year 1963-64. West Pakistan harvested an average wheat crop of about 4 million tons. One interesting consequence of the bumper rice crop has been the export sale of 70,000 tons of West Pakistan rice to India following a U.S. waiver of the pertinent P.L. 480 regulations.

In East Pakistan, because of an excellent winter harvest of rice, plentiful food supplies are available. In West Pakistan continued wheat imports and the harvest of a normal crop resulted in no food problems. However, it is unusual that postharvest prices of wheat in the open market did not decline. In fact, by the middle of June, when normally the wheat harvest is complete, prices had begun to register an upward trend. The government plans to counter this situation by quickening the pace of Title I imports and making imported wheat freely available for sale at the government fixed price.

With the end of the April-June quarter, the fourth year of Pakistan's Second Five Year Plan drew to a close. Economic growth for the year will probably be nearly 7 percent, a new record, and when averaged with earlier years makes achievement of the overall Plan goals by 1965 a virtual certainty.

Finland's Milk Production Continues To Increase

According to the Finnish Board of Agriculture, Finnish farmers were able to deliver 1,484 million pounds of milk to distributors and dairy plants in the first quarter of 1964, an increase of 12 percent over the comparable 1963 period.

The larger deliveries were possible because of the higher milk production in this quarter resulting from the large feed and forage crop in 1963. However, in the second quarter, dry weather and poor pastures affected milk production, and deliveries were up only 5 percent. For the first 6 months, deliveries were 8 percent above 1963's.

Creamery butter production in the first quarter of 1964 rose by 19 percent to 51 million pounds. In the second quarter, it was up only 6 percent, bringing the net increase for the first half of the year to 11 percent and the total quantity to 121 million pounds. In this period, Finland also produced over 40 million pounds of cheese, more than half of which was Swiss-type. A year ago, production was approximately 36 million pounds.

Reports indicate that production of milk and dairy products for the remainder of the year may be affected by the poor pasture situation, low feed and forage crops, and continued restriction of feed imports.

South Africa To Need Cotton

Current estimates indicate that the Republic of South Africa will require about 140,000 bales (480 lb. net) of cotton in the 1964-65 season (August-July), which would be 15,000 bales above those needed in 1963-64. With an estimated crop of only 50,000 bales, import requirements will be between 95,000 and 100,000 bales. It is expected that most of this shortfall will be imported from the United States and Brazil.

Use of Cotton in Non-Communist Countries High

A moderate increase in raw cotton consumption is indicated for the principal non-Communist importing countries in 1963-64. Statistics available for the 16 countries listed in the accompanying table show total consumption to be 4 percent higher than in the same months of 1962-63. The greatest gains over a year earlier were registered in Canada, Denmark, India, and Portugal. Sweden, with consumption during the first 10 months down nearly 10 percent from a year earlier, is the only country under review where total offtake for the season is expected to fall below that used in 1962-63.

Imports during the 1963-64 season fared better than

consumption in most countries because many of the major importing countries rebuilt stocks from the relatively low beginning levels. A notable exception was India, which because of larger available supplies of domestically produced qualities, imported nearly 20 percent less than in the previous year.

Total imports by the 16 countries, at 9.4 million bales, represent an increase of about 6 percent over the same months in 1962-63. Imports from the United States during the specified periods of 1963-64 were up 55 percent from a year earlier and accounted for about one-third of the total raw cotton imported by the non-Communist importing countries.

IMPORTS AND CONSUMPTION OF COTTON IN PRINCIPAL NON-COMMUNIST IMPORTING COUNTRIES

Country	Reporting period	Imports		Consumption	
		1962-63	1963-64	1962-63	1963-64
		1,000 bales [2]	*1,000 bales* [2]	*1,000 bales* [2]	*1,000 bales* [2]
Austria	Aug.-May	89	96	98	98
Belgium	Aug.-Mar.	255	253	265	258
Canada	Aug.-Feb.	186	235	229	262
Denmark	Aug.-May	31	34	37	40
Finland	Aug.-June	74	67	70	73
France	do	1,200	1,262	1,203	1,215
Germany, West	Aug.-Apr.	1,023	1,159	980	989
Hong Kong	Aug.-Mar.	332	397	378	390
India	Aug.-May	589	475	4,098	4,385
Italy	Aug.-Apr.	798	829	786	810
Japan	Aug.-May	2,601	2,684	2,501	2,607
Netherlands	Aug.-Apr.	256	285	276	275
Portugal	Aug.-May	334	299	264	280
Sweden	do	80	87	96	87
Switzerland	Aug.-June	175	197	173	172
United Kingdom	Aug.-May	858	1,036	882	900
Total		8,881	9,395	12,336	12,841

[1] Preliminary and partly estimated. [2] 480 lb. net.

Brazil's Soybean Production Down

The 1964 soybean crop in Rio Grande do Sul, Brazil, is estimated by trade sources at 200,000 metric tons (7.3 million bu.) compared with 242,000 tons (8.9 million bu.) in 1963. Around 90 percent of Brazil's total production of soybeans is grown in Rio Grande do Sul.

The decline in this year's outturn is attributed to excessive rain, which delayed planting, followed by dry weather. Moreover, the crop is reported to be of poor quality.

The Foreign Trade Department of the Bank of Brazil (CACEX) is permitting exports of 28,200 tons of soybean bran from Brazil. The average f.o.b. price for bran is US$70.00 per ton.

Bahia Expects Record Castorbean Crop

The 1964 castorbean crop in Bahia, Brazil, is expected to reach a record level of about 160,000 metric tons compared with 85,000 last year, according to trade sources. Bahia ranks first among the States producing castorbeans, accounting for from about one-third to almost one-half of Brazil's total production.

Philippine Exports of Desiccated Coconut Increase

Registered shipments of desiccated coconut from the Philippines during July totaled 9,038 short tons, against 6,206 in June and 6,987 in July 1963.

Shipments during January-July amounted to 38,189 tons compared with 35,169 in the corresponding period of 1963. Of this amount, 30,966, 2,689, and 2,544 tons were shipped to the United States, Australia, and Canada, respectively, compared with 28,890, 2,026, and 1,533 a year ago.

Nigerian Peanut Purchases Down

The Regional Marketing Boards of the Federation of Nigeria as of July 30 had purchased 786,727 long tons (shelled basis) of 1963-crop peanuts for crushing and export. This was about 10 percent less than the 871,516 tons purchased through the comparable date of last year and the record 871,524 tons purchased in the entire marketing 1962-63 year.

However, because of heavy stocks at the beginning of the marketing year, Nigeria's total supply of peanuts is slightly larger than last year's (*Foreign Agriculture* July 6, 1964).

Philippine Copra and Coconut Oil Exports

Registered exports of copra and coconut oil from the Philippine Republic in January-July totaled 374,518 long tons, oil-equivalent basis, down 8 percent from 409,053 in the same period of 1963.

PHILIPPINE EXPORTS OF COPRA AND COCONUT OIL

Destination	1963 [1]	January-July 1963 [1]	January-July 1964 [1]
	Long tons	*Long tons*	*Long tons*
Copra:			
United States	245,293	132,475	111,001
Europe	623,693	301,215	264,563
South America	16,970	7,000	2,500
Japan	38,977	21,500	12,800
Other Asia	500	—	500
Middle East	3,250	3,250	140
Total	928,683	564,440	391,504
Coconut oil:			
United States	183,648	108,853	111,249
Europe	28,489	2,318	11,863
South Africa, Republic of	—	—	843
Total	212,137	111,171	123,955

[1] Preliminary.

Indian States Move To Check Peanut Oil Prices

Some of the Indian States are adopting measure to conserve their stocks of edible oils and check rising prices.

For example, effective July 22, Gujarat banned movement of peanuts and peanut oil from that State. Moreover, an official notice obligates every person in the State to declare his stocks of peanuts that are in excess of 150 kilograms and of peanut oil in excess of 50 kilograms within 24 hours from the announcement.

The order has brought down prices of peanut oil in Gujarat, but has aggravated, to some extent, the situation for Maharashtra State, in which Bombay is located, as it has been cut off from one of its sources of supply. Stocks of peanuts and peanut oil held by Bombay crushers are said to be very small, and scarcity conditions are expected to persist until the new crop moves in November.

The above internal action follows earlier action by the Indian Government to check rising prices of agricultural commodities. Effective June 1, 1964, the government banned future trading in 14 agricultural commodities, including peanuts and peanut oil (*Foreign Agriculture*, July 20), and on July 11, it banned the export of a number of edible oils, including peanut oil (*Foreign Agricul-*

ture, Aug. 3). These actions have subdued the rise in prices of edible oils to some extent, but because of the end-of-the-season pressure on available stocks of oil-seeds and oils in the country, the undertone in prices is firm.

U.S. Cigarette Exports Up Slightly

U.S. exports of cigarettes in the first 6 months of 1964 totaled 11,450 million pieces—just slightly more than the 11,385 million shipped out in the same period last year. The export value was $52.0 million, compared with $50.6 million a year earlier.

The leading foreign markets for U.S. cigarettes in order of importance were Hong Kong, Kuwait, Spain, France, Malaysia, the Netherlands Antilles, and Gibraltar—each taking at least 400 million pieces. Other countries purchasing between 300 and 400 million pieces included The Republic of Panama, Italy, Sweden, Belgium-Luxembourg, and Peru.

U.S. EXPORTS OF CIGARETTES

Destination	January-June			Percent change 1964 from 1963
	1962	1963	1964	
	Million pieces	*Million pieces*	*Million pieces*	*Percent*
Hong Kong	898.4	1,024.2	1,191.4	+ 16.3
Kuwait	514.8	613.6	723.4	+ 17.9
Spain	440.6	291.4	704.3	+141.7
France	729.6	786.5	558.5	— 29.0
Malaysia[1]	615.4	751.2	556.1	— 26.0
Netherlands Antilles	632.8	513.0	546.1	+ 6.5
Gibraltar	533.9	426.1	456.4	+ 7.1
Panama, Rep. of	311.8	276.9	375.0	+ 35.4
Italy	410.5	365.4	363.9	— .4
Sweden	360.3	322.9	348.9	+ 8.1
Belgium-Luxembourg	490.9	511.7	320.6	— 37.3
Peru	238.3	399.4	300.5	— 24.8
Japan	71.4	238.2	297.8	+ 25.0
Netherlands	292.4	201.7	273.9	+ 35.8
Australia	188.8	253.1	270.9	+ 7.0
Germany, West	270.5	254.5	262.4	+ 3.1
Canary Islands	111.7	279.7	257.2	— 8.0
Denmark	219.9	241.4	222.6	— 7.8
Ecuador	147.6	169.5	208.9	+ 23.2
Lebanon	204.8	226.8	207.8	— 8.4
United Kingdom	100.0	128.3	180.7	+ 40.8
Uruguay	672.1	455.3	166.7	— 63.4
Morocco	356.1	387.4	146.5	— 62.2
Liberia	131.7	139.3	140.8	+ 1.1
Switzerland	184.9	257.9	140.2	— 45.6
Others	2,976.4	1,869.2	2,228.7	+ 19.2
Total	12,105.6	11,384.6	11,450.2	+ .6
	1,000 dol.	*1,000 dol.*	*1,000 dol.*	
Value	53,291	50,572	52,019	+ 2.9

[1] Includes Singapore.
Bureau of the Census.

U.S. Tobacco Exports Rise

U.S. exports of unmanufactured tobacco totaled 532 million pounds (export wieght) in fiscal 1964, representing a gain of 12.4 percent from the 473 million exported in fiscal 1963. The increase reflects an improvement in quality of the 1963 flue-cured crop—the major kind of leaf exported.

Export value was a record $420.7 million, compared with $378.2 million in the last fiscal year.

Increases were recorded for flue-cured, Maryland, Green River, and cigar tobaccos. Preliminary data indicate that 425.9 million pounds of flue-cured (export weight) were exported in fiscal 1964, compared with only 370.4 million in the previous year.

U.S. EXPORTS OF UNMANUFACTURED TOBACCO
(Export weight)

Kind	Quantity		Percent change	Value	
	1963	1964[1]		1963	1964[1]
	1,000 pounds	*1,000 pounds*	*Percent*	*1,000 dollars*	*1,000 dollars*
Flue-cured	370,421	425,902	+ 15.0	302,862	346,664
Burley	46,471	43,030	— 7.4	38,803	34,489
Dark-fired					
Ky.-Tenn.	17,801	16,150	— 9.3	9,617	8,225
Va. fire-cured[2]	5,057	4,780	— 5.5	3,296	3,152
Maryland	11,392	11,627	+ 2.1	8,767	8,688
Green River	342	774	+126.3	185	402
One Sucker	546	396	— 27.5	288	198
Black Fat	4,096	3,394	— 17.1	3,610	2,977
Cigar wrapper	4,389	5,648	+ 28.7	8,228	12,383
Cigar binder	1,073	1,362	+ 26.9	787	1,141
Cigar filler	236	495	+109.7	157	237
Other	11,471	18,503	+ 61.3	1,641	2,132
Total	473,295	532,061	+ 12.4	378,241	420,688

[1] Preliminary, subject to revision. [2] Includes sun-cured.
Bureau of the Census.

East Africa Raises Export Tax on Sisal

The Government of Tanganyika declared in June 1964 a new sliding scale of taxation on sisal exports from that country. The new scale applies to all sisal valued at £75 and over, f.o.b., less the cess (local tax) of 10 East African shillings per ton, paid under the Sisal Industry Ordinance. The rates are as follows:

Export value per long ton	*Tax*
£75 to £95	5 percent ad valorem
£95 to £100	£4.15.0 per ton plus EASh10 for every £1 by which the value exceeds £95 (pro rata for every shilling).
£100 to £105	£7.5.0 per ton plus EASh15 for every £1 over £100.
Over £105	£11 per ton plus £1 for every £1 over £105.

£ East African=$2.80. 1 shilling=14 cents.

The immediate effect of the tax is believed to be an increase of about £600,000, or an average of approximately £3 per ton, from the preceding tax. For the higher grades of fiber, however, the tax will be more than £15 per ton.

Tanganyikan sisal growers have expressed some concern regarding this added cost of their sisal in a competitive world market. The rise in costs may be largely responsible for the takeover by the infant polypropylene staple fiber industry of a large share of the natural fiber market.

Kenya also has imposd a sisal export tax which now averages £10 per ton. The tax will, however, fluctuate with the rise and fall of sisal prices.

Nicaragua Forms Coffee Institute

The President of Nicaragua signed into law on July 1 Legislative Decree No. 973, officially establishing the Nicaraguan Coffee Institute. The main function of the Institute will be to carry out research work to improve the country's coffee yields, but presumably it will also do extension work. In addition, all activities relating to Nicaragua's participation in the International Coffee Agreement will be handled by the Institute.

Nicaragua's 1964-65 coffee production is preliminarily

estimated at 520,000 bags, as compared with 450,000 in 1963-64. Exports of green coffee during October 1962-September 1963 totaled 405,190 bags, with 225,792 going to the United States and 100,343, to West Germany. Exports of soluble coffee for the same period totaled 3.8 million pounds, with the United States taking 3.0 million and West Germany, the balance.

Iran Announces New Apricot Standards

The Iranian Bureau of Standards recently announced new specifications for dried apricots to be exported to West Germany. The announcement indicated that apricots should be selected from ripe healthy fruits, be free of foreign matter, and be prepared in a clean and sanitary manner. The pits must be removed by knife, and the maximum moisture should be 23 percent. A maximum tolerance of 15 percent was set for unripe or defective fruits.

Merchants exporting dried apricots to West Germany will not be paid for their shipments until the German Nutrition Institute had certified the fruit.

Iran To Enforce Date-Handling Standards

Beginning with the current year, the Iranian Bureau of Standards will grant standards certificates and export permission only for dates produced and processed under conditions stipulated by the Bureau. Thus, the standardization effort begun in midseason last year has become official.

At present, no information is available on the specific requirements of the new standards.

Most U.S. Animal Product Exports Up in First 6 Months

U.S. exports of animal fats, red meats, variety meats, hides and skins, and live cattle were all up sharply during the first 6 months of 1964 compared with the previous year.

Increased demand for lard in the United Kingdom resulted in sharp gains in U.S. shipments of this product. Exports were up by more than 50 percent from the first half of 1963 and almost approximated full year levels of 1961 and 1962.

Shipments of inedible tallow and greases, which were at record levels in calendar 1963, continued to climb. Exports were particularly heavy to Eastern and Western Europe and to Japan. Those under P.L. 480 were slightly below the 1963 level.

Exports of beef and veal were double the previous year's while those of pork were up by almost 50 percent. These gains were largely the result of the beef shortage in Israel and the pork shortage in Western Europe. Major market for U.S. pork was Canada but France, West Germany, the Netherlands, Poland, and Japan were also heavy buyers. While Israel accounted for most of the increase in beef and veal, shipments of these products to Western Europe were also up substantially.

Variety meat exports—which have been gaining steadily in recent years—rose in both June and January-June. Most shipments went to Western Europe and the United Kingdom.

Cattle hide exports for the first 6 months were more than 50 percent above the same period last year. Japan, the largest single buyer, took nearly one-third of the total. There were sharp increases in shipments to Western Europe where demand remained strong and domestic supplies were reduced, as were the supplies available from Argentina.

Mohair exports are on the down trend and were only one-fifth as large as during the first half of last year. U.S. prices have been relatively high, but declining in recent months. Lower prices this fall are likely to attract buyers. Shipments to the United Kingdom, Japan, Italy, and Switzerland were only a small fraction of the amounts shipped from January to June last year.

Live cattle exports were more than four times greater than the previous year in the 6 months ended June. Canada was the major destination, although there have been shipments of feeder cattle to Italy with more expected.

U.S. EXPORTS OF LIVESTOCK PRODUCTS
(Product weight basis)

Commodity	June		January-June	
	1963	1964	1963	1964
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*
Animal fats:				
Lard	24,249	91,146	251,748	382,486
Inedible tallow and greases[1]	182,544	222,029	929,351	1,244,231
Edible tallow and greases[2]	1,082	855	5,805	6,884
Meat:				
Beef and veal	1,655	4,992	11,379	22,635
Pork	11,467	12,891	67,694	91,723
Lamb and mutton	26	128	551	712
Sausages:				
Except canned	120	890	710	2,177
Canned	105	101	474	461
Baby food, canned	55	44	290	366
Other canned meats	112	142	701	887
Total red meats	13,540	19,188	81,799	118,961
Variety meats	13,253	18,864	79,007	107,743
Sausage casings:				
Hog	1,074	557	7,407	5,596
Other natural	538	406	2,564	1,786
Mohair	877	329	7,690	1,547
	1,000 pieces	*1,000 pieces*	*1,000 pieces*	*1,000 pieces*
Hides and skins:				
Cattle	539	987	3,510	5,409
Calf	128	141	762	1,216
Kip	11	10	47	121
Sheep and lamb	229	294	1,390	1,717
	Number	*Number*	*Number*	*Number*
Live cattle	1,635	13,522	9,155	40,223

[1] Includes inedible tallow, greases, fats, oils, oleic acid or red oil, and stearic acid. [2] Includes edible tallow, oleo oil and stearin, oleo stock, shortenings, animal fat, excluding lard.

CORRECTION: The following statistics on soybean cakes and meals should be substituted for those erroneously shown in the table "U.S. Exports of Soybeans, Edible Oils, and Oilseed Cakes and Meals" on page 15 of the August 17 issue of *Foreign Agriculture:*

	October-June	
	1962-63 [1]	1963-64 [2]
	1,000 tons	*1,000 tons*
Soybean:		
France	185.7	184.8
Canada	201.6	135.5
Spain	172.7	134.3
Netherlands	159.5	94.4
Belgium	85.4	79.2
Yugoslavia	33.4	65.5
Germany, West	100.7	87.2
Denmark	77.6	57.6
Italy	60.5	52.1
Others	97.7	128.6
Total	1,174.8	1,019.2

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Competition From Mexican Cotton

(Continued from page 4)

Basically, the Tapachula area is similar to the cotton area farther south in Guatemala. Cotton is grown on reasonably level land between the mountains and the Pacific Ocean. Rainfall, heavy in the mountains, amounts to 60 inches or less annually in the cotton area—most of it during the cotton growing season. Cotton is planted during breaks in the weather in August and September. All the usual cotton insects except the pink bollworm are present, but are controlled by 20 or more applications of insecticide from airplanes. Diseases, however—especially bacterial blight and boll rot—cause heavy losses each year.

There seems to be no close competition with cotton for the land. Coffee is best suited to the hillsides; banana production is risky because of disease. Large areas of forest can and probably will be cleared for cotton in the next several years, with costs of land and clearing due to be offset to a considerable extent by fairly high yields and the absence of need for irrigation. The government is aiding expansion by constructing roads into new cotton areas.

Apatzingan.—Located west of Mexico City in the State of Michoacán, this area in the past was Mexico's major source of commercially produced limes. Cotton production —practically nil in 1958—reached about 138,000 pounds in both 1962 and 1963, with yields thus far averaging over 1½ bales per acre.

Much of the Apatzingan area is irrigated, though there is a considerable raingrown acreage. Insects are being well controlled by airplane application of insecticide. Transportation from this relatively remote location presents a problem; all cotton is hauled by truck.

The expansion of cotton in this area could well have reached its peak, and acreage could even decline slightly over the next few years under competition from fruit and vegetable production. However, some information indicates that cotton could prove to be attractive enough over the long run to displace still more fruit acreage.

Outlook for production and exports

In the future, increased production in the newer areas of Altamira, Tapachula, and several smaller areas will very likely more than offset a major decline in Matamoros and smaller declines in a few other older areas. Increases in production could be slowed or stopped by substantially lower cotton price levels, and in some areas by a shift in profit relationships with other crops. Also, the new areas depend mostly on rainfall, which is inadequate in some years and excessive in others. However, yields in most of these areas are high and rising, and profits from cotton are attractive.

Mexico will continue and possibly even strengthen its competition with the United States for important cotton markets like Japan, Europe, and Canada. Direct shipments from Mexican ports are almost certain to rise, cutting down the lively U.S. transshipment business through Brownsville.

WORD CROPS AND MARKETS INDEX

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12 Use of Cotton in Non-Communist Countries High

Dairy and Poultry Products
12 Finland's Milk Production Continues To Increase

Fats, Oilseeds, and Oils
12 Argentine Grain Board Sells Flaxseed
13 Brazil's Soybean Production Down
13 Bahia Expects Record Castorbean Crop
13 Philippine Exports of Desiccated Coconut Increase
13 Nigerian Peanut Purchases Down
13 Philippine Copra and Coconut Oil Exports
13 Indian States Move To Check Peanut Oil Prices

Fruits, Vegetables, and Nuts
15 Iran Announces New Apricot Standards
15 Iran To Enforce Date Handling Standards

Grains, Feeds, Pulses, and Seeds
11 U.S. Wheat and Flour Exports Setting New Records
11 U.S. Feed Grain Exports at Highest Peak
11 Canada's Wheat, Flour Exports Largest in History
11 Uruguay's Rice Exports
11 Argentine Grain Exports Up
11 U.S. Rice Exports Up From Last Year
11 Canadian Exports of Barley and Oats Double
12 Record Cotton and Rice Crop in Pakistan

Livestock and Meat Products
15 Most U.S. Animal Product Exports Up in First 6 Months

Sugar, Fibers, and Tropical Products
14 East Africa Raises Export Tax on Sisal
14 Nicaragua Forms Coffee Institute

Tobacco
14 U.S. Cigarette Exports Up Slightly
14 U.S. Tobacco Exports Rise